



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION IX
75 Hawthorne Street
San Francisco, CA 94105

December 16, 2013

Ms. Kimberly D. Bose
Secretary
Federal Energy Regulatory Commission
888 First Street NE, Room 1A
Washington, DC 20426

Subject: Draft Environmental Impact Statement for the Sierrita Pipeline Project, Pima
County, Arizona (CEQ # 20130315)

Dear Ms. Bose:

The U.S. Environmental Protection Agency has reviewed the Draft Environmental Impact Statement for the Sierrita Pipeline Project (Project) pursuant to the National Environmental Policy Act, Council on Environmental Quality regulations (40 CFR Parts 1500-1508), and Section 309 of the Clean Air Act.

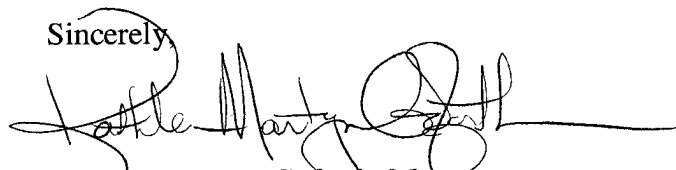
Based on our review of the DEIS, we have rated the proposed action and the document as *Environmental Concerns – Insufficient Information* (EC-2) (see the enclosed “Summary of EPA Rating Definitions”). The EPA is primarily concerned about potential impacts to aquatic resources associated with ephemeral wash crossings. The ephemeral washes of the Altar Valley contain vital riparian habitat that sustains several sensitive species, including many federally listed species, and would be difficult to restore. We recommend that the Final EIS include a jurisdictional delineation of waters of the U.S., and clarify the applicability of Clean Water Act section 404 permitting requirements to the proposed project. We also recommend that the FEIS affirm the strong additional mitigation measures, proposed by Federal Energy Regulatory Commission in the DEIS, to avoid and minimize impacts to riparian habitat, and include them as required mitigation actions in the Record of Decision.

We appreciate the inclusion of a Fugitive Dust Control Plan in the DEIS, as well as the estimate of construction-related greenhouse gas emissions. We recommend that the FEIS also include additional mitigation measures to reduce construction-related air pollution, a more comprehensive assessment of the Project’s projected greenhouse gas emissions, and a discussion of how climate change may affect the Project. Our detailed comments are enclosed.

We appreciate the opportunity to review this DEIS, and are available to discuss our comments. When the FEIS is released, please send one CD copy to this office (specify Mail Code CED-2). If you have

any questions, please contact me at 415-972-3521, or contact Jason Gerdes, the lead reviewer for this project. Mr. Gerdes can be reached at 415-947-4221 or gerdes.jason@epa.gov.

Sincerely,

A handwritten signature in black ink, appearing to read 'Kathleen Martyn Goforth', with a long horizontal flourish extending to the right.

Kathleen Martyn Goforth, Manager
Environmental Review Office

Enclosures: Summary of EPA Rating Definitions
EPA Detailed Comments

SUMMARY OF EPA RATING DEFINITIONS*

This rating system was developed as a means to summarize the U.S. Environmental Protection Agency's (EPA) level of concern with a proposed action. The ratings are a combination of alphabetical categories for evaluation of the environmental impacts of the proposal and numerical categories for evaluation of the adequacy of the Environmental Impact Statement (EIS).

ENVIRONMENTAL IMPACT OF THE ACTION

"LO" (Lack of Objections)

The EPA review has not identified any potential environmental impacts requiring substantive changes to the proposal. The review may have disclosed opportunities for application of mitigation measures that could be accomplished with no more than minor changes to the proposal.

"EC" (Environmental Concerns)

The EPA review has identified environmental impacts that should be avoided in order to fully protect the environment. Corrective measures may require changes to the preferred alternative or application of mitigation measures that can reduce the environmental impact. EPA would like to work with the lead agency to reduce these impacts.

"EO" (Environmental Objections)

The EPA review has identified significant environmental impacts that should be avoided in order to provide adequate protection for the environment. Corrective measures may require substantial changes to the preferred alternative or consideration of some other project alternative (including the no action alternative or a new alternative). EPA intends to work with the lead agency to reduce these impacts.

"EU" (Environmentally Unsatisfactory)

The EPA review has identified adverse environmental impacts that are of sufficient magnitude that they are unsatisfactory from the standpoint of public health or welfare or environmental quality. EPA intends to work with the lead agency to reduce these impacts. If the potentially unsatisfactory impacts are not corrected at the final EIS stage, this proposal will be recommended for referral to the Council on Environmental Quality (CEQ).

ADEQUACY OF THE IMPACT STATEMENT

"Category 1" (Adequate)

EPA believes the draft EIS adequately sets forth the environmental impact(s) of the preferred alternative and those of the alternatives reasonably available to the project or action. No further analysis or data collection is necessary, but the reviewer may suggest the addition of clarifying language or information.

"Category 2" (Insufficient Information)

The draft EIS does not contain sufficient information for EPA to fully assess environmental impacts that should be avoided in order to fully protect the environment, or the EPA reviewer has identified new reasonably available alternatives that are within the spectrum of alternatives analysed in the draft EIS, which could reduce the environmental impacts of the action. The identified additional information, data, analyses, or discussion should be included in the final EIS.

"Category 3" (Inadequate)

EPA does not believe that the draft EIS adequately assesses potentially significant environmental impacts of the action, or the EPA reviewer has identified new, reasonably available alternatives that are outside of the spectrum of alternatives analysed in the draft EIS, which should be analysed in order to reduce the potentially significant environmental impacts. EPA believes that the identified additional information, data, analyses, or discussions are of such a magnitude that they should have full public review at a draft stage. EPA does not believe that the draft EIS is adequate for the purposes of the NEPA and/or Section 309 review, and thus should be formally revised and made available for public comment in a supplemental or revised draft EIS. On the basis of the potential significant impacts involved, this proposal could be a candidate for referral to the CEQ.

*From EPA Manual 1640, Policy and Procedures for the Review of Federal Actions Impacting the Environment

U.S. EPA DETAILED COMMENTS ON THE DRAFT ENVIRONMENTAL IMPACT STATEMENT FOR THE SIERRITA PIPELINE PROJECT, PIMA COUNTY, ARIZONA, DECEMBER 16, 2013

Aquatic Resources

Compliance with Section 404 of the Clean Water Act

The Draft Environmental Impact Statement states that “project-related impacts associated with ephemeral wash crossings are of particular concern to local agencies and stakeholders” (p. ES-4). The EPA shares this concern. The pipeline would cross one perennial, and 206 ephemeral, waterbodies. The potential impacts that would result from these crossings are difficult to ascertain, based on the information provided in the DEIS. The DEIS indicates that the Project construction and maintenance activities would result in temporary impacts on drainages that are likely considered waters of the United States by the U.S. Army Corps of Engineers (Corps), and that Sierrita, the project proponent, has submitted a preliminary determination of jurisdictional waters to the Corps. The DEIS goes on to state that the Corps may issue an individual permit or a nationwide permit for natural gas pipelines that affect wetlands, but that because the Project “would not affect wetlands, a nationwide permit is not required for the Project” (p. 1-16). Please note that the absence of wetlands would not free Sierrita from its potential responsibilities under Section 404, the provision of the Clean Water Act that regulates the discharge of dredged or fill material into waters of the U.S. If the Corps makes the determination that Project activities would result in impacts to jurisdictional waters, then an individual permit or nationwide permit would be required.

Recommendations:

- The EPA recommends that FERC and Sierrita meet with the Corps to discuss jurisdictional delineation of waters of the U.S. within the proposed Project area, and compliance with Section 404 of the CWA.
- The FEIS should disclose the likely applicability of CWA section 404 to the proposed Project, and include a jurisdictional delineation of waters of the U.S. and an alternatives analysis of the impacts (direct, secondary, and cumulative) to such waters.

Biological Resources

The EPA is concerned that the aforementioned 206 ephemeral wash crossings planned for this Project would result in considerable impacts to riparian habitat. The DEIS states that, based on Sierrita’s Project-specific delineations and mapping effort, construction of the Project would affect approximately 118.2 acres of riparian habitat (p. 4-66). This projected habitat loss, which includes 26 acres that the Pima County Regional Flood Control District has classified as “important riparian areas,” would result in impacts to several federally listed species, including the lesser long-nosed bat, the Chiricahua leopard frog, and the masked bobwhite quail (p. 5-6). According to the DEIS, FERC is recommending that Sierrita analyze the feasibility of adopting the horizontal directional drill (HDD) method at several locations along the pipeline route, among other measures, to protect sensitive species (p. 5-3). Sierrita has proposed modifications to these protective measures that would exclude the use of several protective and restoration measures at ephemeral washes because these features are “anticipated to be dry at the time of crossing” (p. 5-2). The Commission rebuts this argument, contending that some of Sierrita’s proposed modifications “could result in adverse impacts on federally listed species at some ephemeral washes during monsoon rainfalls” (p. 5-2). The EPA agrees and supports FERC’s efforts to work with

Sierrita to ensure that impacts on riparian habitat, and by extension, to the sensitive species that reside in these areas, would be “minimized to the greatest extent practicable” (p. 4-66).

Recommendation:

The additional mitigation measures proposed by FERC in the DEIS to minimize impacts at ephemeral wash crossings and in riparian areas should be affirmed in the FEIS and attached as conditions to any authorization issued by the Commission. In particular, these include requiring Sierrita to:

- File a feasibility report regarding adoption of the HDD method to cross various riparian areas along the pipeline route;
- Provide site-specific justifications for additional temporary workspaces less than 50 feet from wash crossings and in riparian areas.

Air Quality

The Commission included a Fugitive Dust Control Plan as an appendix to the DEIS. Although EPA supports incorporating such mitigation strategies, we also advocate minimizing disturbance to the natural landscape as much as possible so that the need for measures to reduce fugitive dust is eliminated or minimized. Implementation of additional mitigation measures could reduce the Project's emissions.

Recommendations:

The EPA recommends that the FEIS include the following additional measures to reduce emissions of criteria air pollutants and hazardous air pollutants (air toxics):

- Reduce land disturbance activities as much as possible so that natural, stable soil conditions remain;
- Limit vehicle speeds to 25 miles per hour on stabilized unpaved roads as long as such speeds do not create visible dust emissions;
- Limit vehicle speeds to 10 miles per hour or less on unpaved areas within construction sites on unstabilized (and unpaved) roads;
- Post visible speed limit signs at construction site entrances;
- Develop a construction traffic and parking management plan that maintains traffic flow, and plan construction to minimize vehicle trips;
- Include provisions for monitoring fugitive dust in the fugitive dust control plan and initiate increased mitigation measures to abate any visible dust plumes.

Climate Change

The EPA acknowledges the inclusion of an estimate, in the DEIS, of the greenhouse gas emissions (GHGs) associated with construction of the Project. This disclosure, however, is an incomplete analysis of the climate change implications for this Project. The EPA acknowledges that the Commission is not required to conduct an analysis for the portion of the proposed pipeline that would cross into Mexico. While cognizant of this limitation to your analysis, we feel that a broader assessment of the domestic ramifications of the proposed Project, from a GHG perspective, is warranted.

Recommendations:

- The FEIS should include a comprehensive life-cycle assessment of the greenhouse gas emissions anticipated for the construction and maintenance of the Project, including disclosure of where the natural gas that would feed the proposed pipeline would be sourced and an estimate of the emissions that would be associated with its extraction and transport.

- Given the extreme warming anticipated for the southwestern United States, the FEIS should include a discussion of how climate change may affect the proposed Project, particularly with respect to the restoration efforts for the riparian habitat that would be impacted during construction.
- The FEIS should include a climate change mitigation and adaptation plan.